

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7072**

**BILL NUMBER:** SB 486

**NOTE PREPARED:** Jan 9, 2015

**BILL AMENDED:**

**SUBJECT:** Punitive Damages.

**FIRST AUTHOR:** Sen. Glick

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- A. It provides that when an award in a civil action includes a punitive damage award: (1) the court shall send a written copy of the punitive damage award to the office of the Attorney General; (2) the state's interest in the punitive damage award that is deposited into the Violent Crime Victims Compensation Fund vests; and (3) the state becomes a creditor with respect to that part of the punitive damage award that is deposited into the Violent Crime Victims Compensation Fund.
- B. It allows the Attorney General to intervene in an action concerning the award of punitive damages to protect the state's interest in the punitive damage award from being reduced or eliminated by a court order or by an agreement among the parties to the action.
- C. It provides that the Attorney General must consent to any settlement that reduces or eliminates the state's interest in a punitive damage award.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Intervention by the Office of the Attorney General* – The potential effect on the Violent Crimes and Victims Compensation Fund is not known, but not likely to reduce the awards granted. Under current law, the Attorney General may negotiate and compromise a punitive damage award. As proposed, the Office may intervene when the Office receives notice of the award. The amount may not be reduced or eliminated unless the Office has either chosen to intervene in determining the damage award or 30 days after the Office has been notified.

The following table shows the amount of revenue that the Violent Crime Victims Compensation Fund received from punitive damages in FY 2013 and FY 2014.

FY 2013	FY 2014
\$411	\$37,500

**Explanation of Local Expenditures:** Under current law, the party that is ordered to pay a judgment is required to notify the Office of the Attorney General about the punitive damage award. As proposed, the court will notify the Office of the Attorney General.

The clerk of the circuit court would be required to forward the state's portion of the punitive damage award within 30 days to the State Treasurer. Under current law, there is no deadline.

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of the Attorney General.

**Local Agencies Affected:** Trial courts, clerks of the circuit court.

**Information Sources:** State Budget Agency Auditor's Data  
<http://apps1.sba.state.in.us/aud/aiproto.x.asp?bChgDate=%3C%3C&dtAODate=6%2F30%2F2014&nFundCenter=38410&request=RevTBEnc>

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